

# Non-Departmental Accounts

## MISSION STATEMENT

Non-Departmental Accounts (NDAs) contain expenditure items essential to the operation of the County government, which do not fall within the functional assignment of any department or agency, or which provide for expenditures related to more than one department or agency.

In FY05, 32 non-departmental accounts are funded. Three NDAs are not recommended for funding, the Board of Investment Trustees, Inauguration and Transition, and Restricted Donations. The four full-time positions with the Board of Investment Trustees are charged back to the retirement fund, and 1.4 workyears are charged to the Compensation and Employee Benefits Adjustments NDA for deferred compensation management.

## BUDGET OVERVIEW

The total recommended FY05 Operating Budget for the Non-Departmental Accounts is \$87,108,430, an increase of \$18,125,180 or 26.3 percent from the FY04 Approved Budget of \$68,983,250. Personnel Costs comprise 3.2 percent of the budget for four full-time positions for 1.4 workyears. Operating Expenses and Capital Outlay account for the remaining 96.8 percent of the FY05 budget.

In addition, this department's Capital Improvements Program (CIP) requires Current Revenue funding. Please see Section 5 for information related to the CIP.

## PROGRAM CONTACTS

Contact Sunil Pandya of the Office of Management and Budget at 240.777.2773 for more information regarding this department's operating budget.

## PROGRAM DESCRIPTIONS

### Arts and Humanities Council

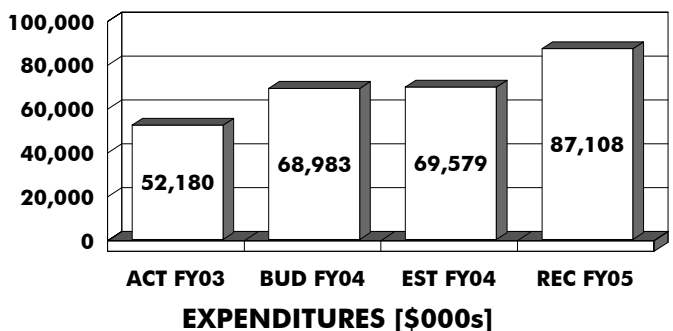
This NDA provides funding for the Arts and Humanities Council of Montgomery County (AHCMC), the County's designated local arts and humanities agency. Taxpayer support of the Arts and Humanities Council includes: grants to arts and humanities organizations, artists, and scholars; technical assistance and other support services for individuals and other organizations in the County; and operating expenses for AHCMC. The County's contribution is implemented by a contract between the Department of Recreation and AHCMC.

The Arts and Humanities Council's mission is to promote, support, and expand cultural activities in the County and to help integrate them into the lives of all residents. AHCMC coordinates services to more than 300 arts and humanities organizations and over 300 individual artists and scholars in the

## Program Summary

	Expenditures	WYs
Arts and Humanities Council	1,050,430	0.0
Board of Investment Trustees	0	0.0
Boards, Committees, and Commissions	5,000	0.0
Charter Review Commission	400	0.0
Closing Cost Assistance	134,080	0.0
Community Grants	594,120	0.0
Compensation and Employee Benefits Adjustments	2,841,940	1.4
Conference and Visitors Bureau	684,650	0.0
Conference Center	1,273,000	0.0
Council of Governments	655,060	0.0
County Associations	56,740	0.0
Desktop Computer Modernization	6,259,250	0.0
Future Federal/State/Other Grants	10,000,000	0.0
Grants to Municipalities in Lieu of Shares Tax	28,020	0.0
Group Insurance for Retirees	16,512,900	0.0
Historical Activities	361,770	0.0
Homeowners' Association Road Maintenance Reimburse.	241,730	0.0
Housing Opportunities Commission	4,404,730	0.0
Inauguration & Transition	0	0.0
Independent Audit	290,380	0.0
Interagency Technology, Policy, & Coordinating Comm.	30,000	0.0
Judges Retirement Contributions	6,110	0.0
Leases	10,582,390	0.0
Motor Pool Fund Contribution	844,020	0.0
Municipal Tax Duplication	5,396,630	0.0
Prisoner Medical Services	19,110	0.0
Public Technology, Inc.	27,500	0.0
Restricted Donations	0	0.0
Risk Management (General Fund Portion)	11,488,680	0.0
State Positions Supplement	238,800	0.0
State Retirement Contribution	769,830	0.0
Support for the Arts and Recreation	3,683,680	0.0
Takoma Park Library Annual Payment	89,670	0.0
Takoma Park Police Rebate	453,810	0.0
Working Families Income Supplement	8,084,000	0.0
<b>Totals</b>	<b>87,108,430</b>	<b>1.4</b>

## Trends



County. Its activities include: providing grants and fellowships to individuals, scholars, and arts and humanities organizations; providing technical assistance to arts and humanities organizations; sponsoring cultural events; publishing and maintaining on its website a comprehensive calendar of cultural events in the County; coordinating cultural activities; sponsoring and overseeing the presentation of an annual cultural fair; providing staff support for the County's Public Arts Trust; and implementing the County's first community cultural plan. AHCMC is headquartered in Bethesda, Maryland, and receives support from the State of Maryland, Montgomery County, regional foundations, and private support.

#### **FY05 Recommended Changes**

	<b>Expenditures</b>	<b>WYs</b>
<b>FY04 Approved</b>	<b>1,086,620</b>	<b>0.0</b>
Decrease Cost: Operating expenses	-21,190	0.0
Eliminate: Administrative development grants	-15,000	0.0
<b>FY05 CE Recommended</b>	<b>1,050,430</b>	<b>0.0</b>

#### **Board of Investment Trustees**

The mission of the Board of Investment Trustees is to manage prudent investment programs for the members of the Employee Retirement Plans and their beneficiaries. Expenditures associated with this program are funded from the employees' retirement system (ERS), retirement savings plan (RSP), and the General Fund on behalf of the deferred compensation plan trust funds and are, therefore, not appropriated here. The Board of Investment Trustees manages the assets of the ERS through its investment managers in accordance with the Board's asset allocation strategy and investment guidelines. The Board also administers the investment program for the RSP and deferred compensation program. The Board consists of nine trustees including: the Directors of Human Resources, Finance, Management and Budget, and the Council Staff; one member recommended by an employee organization; one active employee not represented by an employee organization; one retired employee member; one member of the public recommended by the County Council; and a member of the general public.

#### **FY05 Recommended Changes**

	<b>Expenditures</b>	<b>WYs</b>
<b>FY04 Approved</b>	<b>0</b>	<b>0.0</b>
<b>FY05 CE Recommended</b>	<b>0</b>	<b>0.0</b>

#### **Boards, Committees, and Commissions**

There are approximately 800 members of County boards, committees, and commissions, created by law or resolution, who serve the County for a variety of purposes. These funds provide for the reimbursement of certain expenses incurred by eligible members of boards, committees, or commissions while on official business and/or for expenses related to the establishment of any new boards, committees, or commissions.

#### **FY05 Recommended Changes**

	<b>Expenditures</b>	<b>WYs</b>
<b>FY04 Approved</b>	<b>5,000</b>	<b>0.0</b>
<b>FY05 CE Recommended</b>	<b>5,000</b>	<b>0.0</b>

#### **Charter Review Commission**

Section 509 of the County Charter requires that a Charter Review Commission be appointed by the County Council every four years, within six months after the Council assumes office, for the purpose of studying the Charter. The Commission shall report at least once to the Council on the Commission's activities within one year after appointment. Commission reports shall be submitted not later than May 1 of every even-numbered year. The reports shall contain recommendations concerning proposed Charter amendments, if any. This NDA provides for the expenses of the Commission.

#### **FY05 Recommended Changes**

	<b>Expenditures</b>	<b>WYs</b>
<b>FY04 Approved</b>	<b>1,500</b>	<b>0.0</b>
Decrease Cost: Operating expense for biennial report completed in FY04	-1,100	0.0
<b>FY05 CE Recommended</b>	<b>400</b>	<b>0.0</b>

#### **Closing Cost Assistance**

This NDA provides financing for real estate closing cost expenses to assist moderate-to-middle-income home buyers. Eligible first-time home buyers can receive a seven-year loan under the program to help pay the settlement expense of a home purchase. The maximum amount of loans is the lesser of \$7,500 or five percent of the sale price of the single-family residence. The Housing Opportunities Commission (HOC) administers and operates the program. As part of an arrangement between HOC and the Federal National Mortgage Association (Fannie Mae), the County has established this account to help defray program operating costs incurred by HOC.

#### **FY05 Recommended Changes**

	<b>Expenditures</b>	<b>WYs</b>
<b>FY04 Approved</b>	<b>137,250</b>	<b>0.0</b>
Decrease Cost: Administrative cost component of new closing cost loans	-3,170	0.0
<b>FY05 CE Recommended</b>	<b>134,080</b>	<b>0.0</b>

Fannie Mae has suspended their Closing Cost Assistance program. Until they have restructured their program, HOC will issue no new closing cost loans in Montgomery County through Fannie Mae. However, HOC will still need to track, monitor, and report on the loans issued prior to FY04.

#### **Community Grants**

This NDA provides one-time grants directly to organizations in the community.

#### **FY05 Recommended Changes**

	<b>Expenditures</b>	<b>WYs</b>
<b>FY04 Approved</b>	<b>2,307,130</b>	<b>0.0</b>
<b>Community Empowerment Grants provide one-time grants to promote direct service to community residents and enhance community</b>		

<b>pride, self-sufficiency, and community participation</b>		
Add: Coalition for the Homeless	11,500	0.0
Add: Consumer Credit Counseling	17,200	0.0
<b>Community Service Grants provide one-time grants, primarily for capital purchases, that support the health and human service activities which contribute to a safe, healthy and self-sufficient community</b>		
Add: Cambodian Senior Association of Greater Washington	20,000	0.0
Add: Jewish Social Service Agency	20,000	0.0
Add: Mercy Health Clinic	14,800	0.0
Add: Mobile Medical Care, Inc.	19,920	0.0
Add: Muslim Community Center, Inc.	20,000	0.0
Add: Primary Care Coalition of Montgomery County, Maryland, Inc.	2,000	0.0
Add: Rebuilding Together with Christmas in April, Montgomery County	7,800	0.0
Add: Reginald S. Lourie Center for Infants and Young Children	17,500	0.0
Add: YMCA of Metropolitan Washington	18,400	0.0
<b>One-time grants to the following organizations leverage Federal, State, and/or private funding or improve the quality of life for County residents</b>		
Add: Carribean Help Center (operating support)	10,000	0.0
Add: City of Rockville (Payment in Lieu of Taxes for Rockville Parking District)	130,000	0.0
Add: Glen Echo Park Partnership (operating support)	100,000	0.0
Add: Jewish Coalition Against Domestic Abuse (office equipment)	8,000	0.0
Add: Jewish Council for the Aging (wheelchair-accessible bus)	65,000	0.0
Add: Jewish Foundation for Group Homes (seven-passenger van)	20,000	0.0
Add: Jewish Social Services Agency (case management database module)	30,000	0.0
Add: Lt. Joseph P. Kennedy Institute (autism waiver program)	20,000	0.0
Add: Spanish Catholic Center (case worker supplement)	10,000	0.0
Add: Spanish Catholic Center (Nurse Administrator)	32,000	0.0
Decrease Cost: One-time items approved in FY04	-2,307,130	0.0
<b>FY05 CE Recommended</b>	<b>594,120</b>	<b>0.0</b>

Additional grants to organizations, funded through the Emergency Shelter and Community Development Block grants, can be found in the Department of Housing and Community Affairs. Grants to arts and recreation organizations can be found in the NDA - Support for the Arts and Recreation.

## Compensation and Employee Benefits Adjustments

This NDA contains a General Fund (\$2,475,320) and a Grant Fund (\$366,620) appropriation, and provides funding for certain personnel costs related to adjustments in employee and retiree benefits, pay for performance awards for employees in the Management Leadership Service, Deferred Compensation Management, and Unemployment insurance.

**Non-Qualified Retirement Plan:** This provides funding for that portion of a retiree's benefit payment that exceeds the Internal Revenue Code's §415 limits on payments from a qualified retirement plan. Payment of these benefits from the County's Employees' Retirement System (ERS) would jeopardize the qualified nature of the County's ERS. The amount in this NDA will vary based on future changes in the Consumer Price Index (CPI) affecting benefit payments, new retirees with a non-qualified level of benefit, and changes in Federal law governing the level of qualified benefits.

**Deferred Compensation Management:** These costs are for management expenses required for administration of the County's deferred compensation program. Management expenses include legal and consulting fees, office supplies, printing and postage, and County staff support.

**Management Leadership Service: Performance Based Pay Awards:** In FY99, the County implemented the Management Leadership Service (MLS) which includes high level County employees with responsibility for developing and implementing policy and managing County programs and services. Performance-based pay increases to MLS employees is authorized under the County Personnel Regulations and is funded in part through this NDA. As required under the Regulations, the recommended amount is based on the actual performance-based pay expenditure experience and in accordance with compensation guidelines. The distribution of funds for compensation is based only on the performance-based pay granted to MLS employees, not on the budgeted amount. MLS employees are not eligible for service increments.

**Unemployment Insurance:** The County is self-insured for unemployment claims resulting from separations of service. Unemployment insurance is managed by the Office of Human Resources through a third party administrator who advises the County and monitors claims experience.

## FY05 Recommended Changes

	Expenditures	WYs
<b>FY04 Approved</b>	<b>795,920</b>	<b>1.6</b>
Increase Cost: MLS pay for performance	1,020,500	0.0
Increase Cost: MCGEO longevity step	397,710	0.0
Increase Cost: Seasonal employees wage increase	149,340	0.0
Increase Cost: Unrepresented salary schedule alignment	408,940	0.0
Increase Cost: MLS salary schedule alignment	36,000	0.0
Increase Cost: Unemployment insurance claims	37,640	0.0
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, and changes due to staff turnover	-4,110	-0.2
<b>FY05 CE Recommended</b>	<b>2,841,940</b>	<b>1.4</b>

## Conference and Visitors Bureau

The Conference and Visitors Bureau (CVB) promotes Montgomery County as a tourist destination site to meeting planners, group tour operators, and travel writers; develops and distributes publications on points of interest to tourists; and

conducts public information campaigns promoting tourism and event facilitation in Montgomery County. The CVB coordinates with the State Department of Tourism, State Film Office, and nationally recognized events, such as the Booz Allen Classic, to promote tourism growth in Montgomery County. The CVB operates on contract with the Department of Economic Development. Funding is based on 5.0 percent of hotel/motel tax revenues.

#### **FY05 Recommended Changes**

	<b>Expenditures</b>	<b>WYs</b>
<b>FY04 Approved</b>	<b>472,850</b>	<b>0.0</b>
Enhance: To reflect higher allocation of hotel/motel tax revenue to the CVB (5%)	211,800	0.0
<b>FY05 CE Recommended</b>	<b>684,650</b>	<b>0.0</b>

The Executive recommends amending Section 52-16(l) of the County Code to allocate at least five percent of hotel/motel tax revenues to the Conference and Visitors Bureau.

#### **Conference Center**

This NDA provides for pre-opening expenses for the Conference Center, including costs associated with marketing, engineering, and sales. (See page 7-243 in the Approved FY04 Capital Budget for a full project description.)

#### **FY05 Recommended Changes**

	<b>Expenditures</b>	<b>WYs</b>
<b>FY04 Approved</b>	<b>226,000</b>	<b>0.0</b>
Increase Cost: Pre-opening expenses required for FY05	1,273,000	0.0
Eliminate: One-time items approved in FY04	-226,000	0.0
<b>FY05 CE Recommended</b>	<b>1,273,000</b>	<b>0.0</b>

#### **Council of Governments**

The Metropolitan Washington Council of Governments (COG) is a voluntary association of major local governments in the Washington Metropolitan Area. COG seeks to provide regional answers to, and coordination of, area-wide issues such as air and water pollution, day care, housing, crime, water supply, land use, and transportation.

This NDA reflects Montgomery County's share of the organization's operation plus special COG initiatives. Additionally, the contribution supports the Cooperative Purchasing Program; the Anacostia Restoration Fund; the Regional Environmental Fund; the Airport Noise Abatement Program; and a membership fee for participation on a regional housing committee.

As in previous years, the Washington Suburban Sanitary Commission will provide Montgomery County's contribution to support the Water Resources Management Planning Program, the Blue Plains Users, and the Potomac River Regional Monitoring Program.

#### **FY05 Recommended Changes**

	<b>Expenditures</b>	<b>WYs</b>
<b>FY04 Approved</b>	<b>660,170</b>	<b>0.0</b>

Increase Cost: Airport noise abatement program	550	0.0
Increase Cost: Cooperative purchasing	450	0.0
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, and changes due to staff turnover	-6,110	0.0
<b>FY05 CE Recommended</b>	<b>655,060</b>	<b>0.0</b>

#### **County Associations**

This NDA funds Montgomery County membership dues to the National Association of Counties (NACo) and the Maryland Association of Counties (MACo).

#### **FY05 Recommended Changes**

	<b>Expenditures</b>	<b>WYs</b>
<b>FY04 Approved</b>	<b>56,520</b>	<b>0.0</b>
Increase Cost: Membership dues	220	0.0
<b>FY05 CE Recommended</b>	<b>56,740</b>	<b>0.0</b>

#### **Desktop Computer Modernization**

The Desktop Computer Modernization (DCM) program was developed by the Department of Technology Services (DTS) and is based on a best practices approach to maintaining a modern and cost effective computing environment in the County. The program reduces the Total Cost of Ownership (TCO) of PCs through standardization, asset management, and maintenance services. DCM includes the centralized management, support, and maintenance of PCs and the annual replacement of one-fourth of managed PCs. The program also includes PC-related training and software.

This NDA includes funding for Help Desk support, management, maintenance, and replacement of PCs.

#### **FY05 Recommended Changes**

	<b>Expenditures</b>	<b>WYs</b>
<b>FY04 Approved</b>	<b>4,045,960</b>	<b>0.0</b>
Increase Cost: PC acquisition costs to resume standard four-year PC replacement cycle (suspended in FY04)	2,317,940	0.0
Shift: Convert contractor's cost to a merit DTS position	-104,650	0.0
<b>FY05 CE Recommended</b>	<b>6,259,250</b>	<b>0.0</b>

#### **Future Federal/State/Other Grants**

This NDA enables the County to implement new grant-funded programs up to \$100,000 each and provides funds for grant continuations and enhancements without having to process individual supplemental appropriations through the County Council. Upon approval by the County Executive, funds in this program are transferred to the receiving department's grant account.

#### **FY05 Recommended Changes**

	<b>Expenditures</b>	<b>WYs</b>
<b>FY04 Approved</b>	<b>15,000,000</b>	<b>0.0</b>
Reduce: Anticipated grant receipts	-5,000,000	0.0

<b>FY05 CE Recommended</b>	<b>10,000,000</b>	<b>0.0</b>
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## Grants to Municipalities in Lieu of Shares Tax

This NDA funds payments required in accordance with State law. The 1968 Session of the General Assembly revised the tax structure to include a County income tax. As part of this restructuring, the shared tax on banks and financial institutions was eliminated, and a provision was adopted which requires counties to pay annually to municipalities the amount (\$28,020) which had been received by the municipalities in FY68.

### FY05 Recommended Changes

	<b>Expenditures</b>	<b>WYs</b>
<b>FY04 Approved</b>	<b>28,020</b>	<b>0.0</b>
<b>FY05 CE Recommended</b>	<b>28,020</b>	<b>0.0</b>

## Group Insurance for Retirees

Group insurance is provided to an estimated 3,600 retired County employees and survivors, as well as retirees of participating outside agencies. Employees hired before January 1, 1987, are eligible upon retirement to pay 20 percent of the premium for health and life insurance for the same number of years (after retirement) that they were eligible to participate in the group insurance plan as an active employee. The County government pays the remaining 80 percent of the premium. Thereafter, these retirees pay 100 percent of the premium. Employees hired before January 1, 1987, are also offered the option at retirement to convert from the 20/80 arrangement to a lifetime cost sharing option.

Employees hired after January 1, 1987, are eligible upon retirement for a lifetime cost sharing option under which the County pays 70 percent of the premium and the retiree pays 30 percent of the premium for life for retirees who were eligible to participate in the County group insurance plan for 15 or more years as active employees. Minimum participation eligibility of five years as an active employee is necessary to be eligible for the lifetime plan. The County will pay 50 percent of the premium for retirees with five years of participation as an active employee. The County contribution to the payment of the premium increases by two percent for each additional year of participation up to the 70 percent maximum.

On March 5, 2002, the County Council approved a one-time opportunity for retirees still under the 20/80 arrangement with an expiration date to elect the lifetime cost sharing arrangement. The new percentage paid by the County for those electing this arrangement ranges from 50 percent to 68 percent, depending upon years of active eligibility under the plan and years since retirement. The cost sharing election process has been completed.

The budget does not include employer contributions from participating outside agencies.

### FY05 Recommended Changes

	<b>Expenditures</b>	<b>WYs</b>
<b>FY04 Approved</b>	<b>17,763,240</b>	<b>0.0</b>

## Non-Departmental Accounts

Decrease Cost: Group insurance premium contributions	-1,250,340	0.0
<b>FY05 CE Recommended</b>	<b>16,512,900</b>	<b>0.0</b>

## Historical Activities

This NDA contains a General Fund (\$311,770) and a State (\$50,000) appropriation, and provides funding for the following agencies and programs:

- **Historic Preservation Commission:** The Historic Preservation Commission's main responsibility is to administer the historic preservation ordinance including recommending Montgomery County sites of potential historical significance. These efforts are administered by the Maryland-National Capital Park and Planning Commission (M-NCPPC).
- **Historic Preservation Grant Fund:** The Historic Preservation Grant Fund is administered through the Historic Preservation Commission. The Historic Preservation Commission accepts proposals from County historical groups which vie for grant funding for historically significant or educational projects. Currently, historic preservation grant awards are recommended by the Historic Preservation Commission and executed by M-NCPPC.
- **Historical Society:** Funding for the Montgomery County Historical Society provides support for the Society's Education Program staff, educational and outreach programs for County residents, and to maintain the Historical Society's research library and museums.
- **Maryland Historic Grant:** The Maryland Historic Grant is a matching grant whereby the State of Maryland provides funds for historic preservation, and Montgomery County contributes matching funds totaling 25 percent of the State grant. These grant funds are passed through the County to M-NCPPC, which uses the dollars in its historic activity endeavors.

### FY05 Recommended Changes

	<b>Expenditures</b>	<b>WYs</b>
<b>FY04 Approved</b>	<b>354,290</b>	<b>0.0</b>
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, and changes due to staff turnover	7,480	0.0
<b>FY05 CE Recommended</b>	<b>361,770</b>	<b>0.0</b>

## Homeowners' Association Road Maintenance Reimburse.

This NDA provides a partial reimbursement to homeowners' associations (HOAs) for their maintenance of certain privately-owned roadways. The payment is currently restricted to through roadways, accessible to the public, which are one-quarter mile or longer and which provide vehicular access to more than four dwelling units. In FY97, an Executive Regulation was enacted allowing homeowners' associations to request that their roadways be deemed "private maintenance

roads." This designation qualifies the HOA for State reimbursement of their roadway maintenance costs. The County annually submits to the State its estimate of reimbursable miles, including those accepted as private maintenance roads. The State then reimburses the County, and, in turn, the County forwards the funds to HOAs.

#### **FY05 Recommended Changes**

	Expenditures	WYs
<b>FY04 Approved</b>	<b>225,180</b>	<b>0.0</b>
Increase Cost: County contribution	13,000	0.0
Increase Cost: State funded portion due to increase in State Highway User Revenues	3,550	0.0
<b>FY05 CE Recommended</b>	<b>241,730</b>	<b>0.0</b>

The FY05 CE Recommended budget increases funds for both the State and County reimbursement of privately maintained roads to reflect the decrease in the State distribution to the County. This assumes a per mile State reimbursement rate of approximately \$5,075 for 39.75 eligible miles (\$201,731). These expenditures are offset by State Highway User Fund revenues. As in previous years, the County will maintain its own reimbursement program for eligible associations (\$40,000).

#### **Housing Opportunities Commission**

The Housing Opportunities Commission is a public corporation established by Maryland law to act as a builder, developer, financier, owner, and manager of housing for people of low-and-moderate (eligible) income. The Commission also provides eligible families and individuals with affordable housing and supportive services.

#### **FY05 Recommended Changes**

	Expenditures	WYs
<b>FY04 Approved</b>	<b>4,347,580</b>	<b>0.0</b>
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, and changes due to staff turnover	57,150	0.0
<b>FY05 CE Recommended</b>	<b>4,404,730</b>	<b>0.0</b>

#### **Inauguration & Transition**

The Montgomery County Charter provides for the quadrennial election of a County Executive and County Council. This NDA provides for a dignified ceremony and smooth transition of the County Executive and County Council every four years.

#### **FY05 Recommended Changes**

	Expenditures	WYs
<b>FY04 Approved</b>	<b>0</b>	<b>0.0</b>
<b>FY05 CE Recommended</b>	<b>0</b>	<b>0.0</b>

#### **Independent Audit**

Section 315 of the County Charter requires the County Council to contract with a Certified Public Accountant for an independent post audit of all financial records and actions of the County, its officials, and employees. By County law, the Office of Legislative Oversight is the designated administrator for this contract, which also includes certification of the Federal Transit

Act (FTA) Grant and audits of tax-funded expenditures by the independent Fire and Rescue Corporations.

#### **FY05 Recommended Changes**

	Expenditures	WYs
<b>FY04 Approved</b>	<b>282,000</b>	<b>0.0</b>
Increase Cost: Contractual auditing service expenses	8,380	0.0
<b>FY05 CE Recommended</b>	<b>290,380</b>	<b>0.0</b>

#### **Interagency Technology, Policy, & Coordinating Comm.**

This NDA supports the operation of the Interagency Technology Policy and Coordination Committee (ITPCC). The ITPCC was chartered by the Montgomery County Council to promote strategic planning and coordination in the use of information technology among County agencies. The ITPCC reports biannually to the County Council. By regularly convening the agencies' chief executive and chief information officers, the ITPCC provides an effective forum for the coordinated implementation of technology policies and guidelines. Additionally, the ITPCC facilitates interagency communication, the evaluation and sharing of new technologies and advises policy makers on the strategic uses of technology.

#### **FY05 Recommended Changes**

	Expenditures	WYs
<b>FY04 Approved</b>	<b>30,000</b>	<b>0.0</b>
<b>FY05 CE Recommended</b>	<b>30,000</b>	<b>0.0</b>

Existing agency staff will provide support to the ITPCC. Funds have been provided to complete contractual work

#### **Judges Retirement Contributions**

This NDA provides pensions for retired Judges who were on the bench prior to 1968 in the Circuit Court and the People's Court (District Court) of Montgomery County and for their surviving spouses.

The Circuit Court pension is calculated at one percent of the net supplement paid by the County to the salaries of the Circuit Court Judges as of May 31, 1968, multiplied by the number of years of active service as a Judge (up to a maximum of 20 years). The surviving spouse receives one-half of the pension to which the Judge would have been entitled. The benefits are provided for in Section 12-10 of the Montgomery County Code. There are two Judges and two surviving spouses who currently receive pensions.

The People's Court (District Court) pension is based on the current salary of a District Court Judge. A retired Judge receives 60 percent of the current salary of a District Court Judge, while a surviving spouse receives one-half of the pension to which the Judge would have been entitled. The benefits are provided for in Article 73B, Section 63(b) of the Annotated Code of Maryland. There is one District Court Judge's surviving spouse who currently receives a pension. This NDA may be increased to include a cost of living adjustment at a rate equal to that approved for District Court Judges by the General Assembly. If a cost of living adjustment is approved next fiscal year, the

NDA will be adjusted as necessary by a year-end transfer.

#### ***FY05 Recommended Changes***

	Expenditures	WYs
<b>FY04 Approved</b>	<b>38,860</b>	<b>0.0</b>
Decrease Cost: Reduction of pensions	-32,750	0.0
<b>FY05 CE Recommended</b>	<b>6,110</b>	<b>0.0</b>

#### ***Leases***

This NDA provides the funds necessary to lease privately owned real estate for County programs. The County leases a number of different kinds of real estate: office, warehouse, retail, hangar space, child care space in schools, parking spaces and space for communication antennas. Leasing property allows the County the flexibility to locate programs in the communities they serve. Leasing provides space for programs to operate when there is no County owned space available. Further, it is an economical way to procure highly specialized, location sensitive or temporary space. During FY04 there were approximately 50 leases in effect. The inventory of leases is constantly shifting as new leases are added and existing leases are terminated.

#### ***FY05 Recommended Changes***

	Expenditures	WYs
<b>FY04 Approved</b>	<b>0</b>	<b>0.0</b>
Shift: DPWT General Fund leases	9,184,670	0.0
Increase Cost: DPWT - transfer administration of police special operations division facility lease	220,870	0.0
Increase Cost: Existing lease	724,570	0.0
Increase Cost: Public Safety Communication System Training/HHS - relocation of 401 Fleet Street	433,280	0.0
Add: New lease request for Glen Haven Elementary Child Care Center	19,000	0.0
<b>FY05 CE Recommended</b>	<b>10,582,390</b>	<b>0.0</b>

#### ***Motor Pool Fund Contribution***

This NDA funds the acquisition of new, additional Motor Pool fleet vehicles, as opposed to replacement vehicles which are financed through an established chargeback mechanism.

#### ***FY05 Recommended Changes***

	Expenditures	WYs
<b>FY04 Approved</b>	<b>92,410</b>	<b>0.0</b>
Add: Additional vehicles for Police	701,020	0.0
Add: Additional vehicles for DPWT (security)	82,200	0.0
Add: Additional vehicles for DPWT (maintenance)	38,800	0.0
Add: Additional vehicle for Fire and Rescue Service	22,000	0.0
Decrease Cost: One-time items approved in FY04	-92,410	0.0
<b>FY05 CE Recommended</b>	<b>844,020</b>	<b>0.0</b>

#### ***Municipal Tax Duplication***

The Montgomery County Tax Duplication Program, authorized by Chapter 30A of the Montgomery County Code, reimburses municipalities for those public services they provide that would

otherwise be provided by the County. County Council Resolution No. 9-1752, enacted April 27, 1982, increased the scope of program coverage from street-related expenditures to include other public services, such as Police Supplemental Aid; Animal Control; Elderly Transportation and Nutrition; Parks Maintenance; Zoning; Board of Appeals; and Human Rights.

This program was reviewed in FY96 and technical formula amendments proposed. The changes were approved, and payment calculations since then are prepared in accordance with County Council Resolution No. 13-650, adopted September 10, 1996. Specifically, as the exact payment amount for the current year cannot be determined until both Municipal and County books are closed, reimbursements are based on the final audited cost of performing eligible services during the fiscal year two years prior to the budget year. Also, reimbursements are now made at the County's cost and not at "the lesser of County or Municipal costs" of eligible service provision.

Finally, payments to municipalities are also made from other sources, including Cable TV Franchise Fees, Grants in Lieu of Shares Tax, Non-Departmental Accounts, and as part of the County's Community Development Block Grant.

#### ***FY05 Recommended Changes***

	Expenditures	WYs
<b>FY04 Approved</b>	<b>4,719,920</b>	<b>0.0</b>
Increase Cost: Payment to municipalities	676,710	0.0
<b>FY05 CE Recommended</b>	<b>5,396,630</b>	<b>0.0</b>

#### ***Prisoner Medical Services***

This NDA provides reimbursements to physicians and hospitals for medical care provided to individuals in the custody of any Montgomery County law enforcement agency, with the exception that offenders committed to the custody of the Department of Correction and Rehabilitation (DOCR) receive medical treatment paid for by the budget of that department (to the degree not paid for by Workers' Compensation, personal medical insurance, the Federal government, or other appropriate and available outside resources). DOCR manages this account and, with the assistance of the County Attorney, determines which costs are the responsibility of the County. All bills are reviewed for appropriateness of cost by a private contractor prior to payment.

#### ***FY05 Recommended Changes***

	Expenditures	WYs
<b>FY04 Approved</b>	<b>20,000</b>	<b>0.0</b>
Decrease Cost: Medical services	-890	0.0
<b>FY05 CE Recommended</b>	<b>19,110</b>	<b>0.0</b>

#### ***Public Technology, Inc.***

Funds are budgeted each year to continue membership in Public Technology, Inc. (PTI) as the County's research and development link with the National Association of Counties. Annual dues, unchanged since 1991, cover research and development assistance for innovative projects; access to a computerized information-sharing network; and membership in the Urban Consortium. The County participates in, and has

#### ***Non-Departmental Accounts***

received grants as a result of, initiatives in task forces on energy, solid waste, and telecommunications. PTI, as an organization, specializes in the research and assessment of ideas of interest to local governments for increasing efficiency, reducing costs, improving services, and solving problems. A current emphasis is on public enterprise, toward helping local governments identify and capture potential sales from products and information that are outcomes of government investment.

#### **FY05 Recommended Changes**

	<b>Expenditures</b>	<b>WYs</b>
<b>FY04 Approved</b>	<b>27,500</b>	<b>0.0</b>
<b>FY05 CE Recommended</b>	<b>27,500</b>	<b>0.0</b>

#### **Restricted Donations**

This NDA was established to comply with the requirements of Government Accounting Standards Board Statement No. 34 (GASB 34) by budgeting for the receipt of private donations for County programs. The proceeds of the former Expendable Trust Fund accounts and other miscellaneous funds have been transferred to the Restricted Donations Special Revenue Fund and will be expended through this NDA. The unexpended balance in this fund at the end of the fiscal year is reappropriated by the County Council for the next fiscal year. Appropriation authority to spend additional donations received during the year will be provided through a process to be developed with the County Council.

#### **FY05 Recommended Changes**

	<b>Expenditures</b>	<b>WYs</b>
<b>FY04 Approved</b>	<b>0</b>	<b>0.0</b>
<b>FY05 CE Recommended</b>	<b>0</b>	<b>0.0</b>

#### **Risk Management (General Fund Portion)**

This NDA funds the General Fund contribution to the Liability and Property Coverage Self-Insurance Fund. The Self-Insurance Fund, managed by the Division of Risk Management in the Department of Finance, provides comprehensive insurance coverage to contributing agencies. Contribution levels are based on the results of an annual actuarial study. Special and Enterprise Funds, as well as outside agencies and other jurisdictions, contribute to the Self-Insurance Fund directly. A listing of these member agencies and the amounts contributed can be found in the Risk Management Program section of the Department of Finance.

#### **FY05 Recommended Changes**

	<b>Expenditures</b>	<b>WYs</b>
<b>FY04 Approved</b>	<b>8,706,400</b>	<b>0.0</b>
Increase Cost: Based on annual actuarial study and recent claims experience	2,782,280	0.0
<b>FY05 CE Recommended</b>	<b>11,488,680</b>	<b>0.0</b>

#### **State Positions Supplement**

This NDA provides for the County supplement to State salaries and fringe benefits for secretarial assistance for the resident judges of the Maryland appellate court and for certain employees in the Office of Child Care Licensing and Regulation

in the Maryland State Department of Human Resources.

#### **FY05 Recommended Changes**

	<b>Expenditures</b>	<b>WYs</b>
<b>FY04 Approved</b>	<b>218,140</b>	<b>0.0</b>
Miscellaneous adjustments, including negotiated compensation changes, employee benefit changes, and changes due to staff turnover	20,660	0.0
<b>FY05 CE Recommended</b>	<b>238,800</b>	<b>0.0</b>

#### **State Retirement Contribution**

This NDA provides for the County's payment of two items to the State Retirement System:

- Maryland State Retirement System: Unfunded accrued liability, as established by the Maryland State Retirement System (MSRS), for employees hired prior to July 1, 1984, who are members of the MSRS (including former Department of Social Services employees hired prior to July 1, 1984), and for those who have retired. (All County employees participated in the State Retirement System until 1965.) The County contribution for this account is determined by State actuaries. Beginning in FY81, the amount due was placed on a 40-year amortization schedule.
- State Library Retirement: Accrued liability for retirement costs for three Montgomery County Public Library retirees who are receiving a State retirement benefit. These were County employees prior to 1966 who opted to stay in the State plan.

#### **FY05 Recommended Changes**

	<b>Expenditures</b>	<b>WYs</b>
<b>FY04 Approved</b>	<b>733,350</b>	<b>0.0</b>
Increase Cost: County's payment to the MSRS	36,480	0.0
<b>FY05 CE Recommended</b>	<b>769,830</b>	<b>0.0</b>

#### **Support for the Arts and Recreation**

This NDA provides support for nonprofit County-based arts, humanities, and recreation organizations that provide direct services to Montgomery County residents. The program is administered by the Department of Recreation.

#### **FY05 Recommended Changes**

	<b>Expenditures</b>	<b>WYs</b>
<b>FY04 Approved</b>	<b>586,840</b>	<b>0.0</b>
Add: Americam Film Institute (operating support relating to the Silver Theatre)	325,000	0.0
Add: Alpha Phi Alpha Fraternity, IUL (Smithville School Museum)	25,000	0.0
Add: Baltimore Symphony Orchestra (operating support for transition into Strathmore Hall)	500,000	0.0
Add: National Capital Historical Museum of Transportation (Cultural Facility Improvement Grant)	53,680	0.0
Add: National Philharmonic (operating support for transition into Strathmore Hall)	280,000	0.0
Add: Partnership for the Arts	1,700,000	0.0



Add: Partnership for Recreation	800,000	0.0
Decrease Cost: One-time items approved in FY04	-586,840	0.0
<b>FY05 CE Recommended</b>	<b>3,683,680</b>	<b>0.0</b>

The Executive recommends an initiative to stimulate new and increased private gifts to arts and recreation organizations within the County. Partnership for the Arts and Recreation will provide \$1 in County funds to match \$2 in new large private contributions to arts and recreation organizations. A task force will be formed to put forth eligibility requirements, application process, etc.

### ***Takoma Park Library Annual Payment***

The annual amount provided in this NDA is a function of County expenditures for Libraries (as a share of property tax-funded spending) and the City's assessable base. The payment is authorized by Section 2-53 of the Montgomery County Code.

#### ***FY05 Recommended Changes***

	Expenditures	WYs
<b>FY04 Approved</b>	<b>84,600</b>	<b>0.0</b>
Increase Cost: Municipal library payments	5,070	0.0
<b>FY05 CE Recommended</b>	<b>89,670</b>	<b>0.0</b>

### ***Takoma Park Police Rebate***

The County provides financial support to the City of Takoma Park for police protection services in accordance with provisions of the County Code. This provision was enacted in 1949 and provides a payment to the City for protective services for the County residents of the City of Takoma Park. The payment is based on a formula, which uses \$0.048 per \$100 of assessable base tax rate with "full value assessment" levied on real property.

#### ***FY05 Recommended Changes***

	Expenditures	WYs
<b>FY04 Approved</b>	<b>425,000</b>	<b>0.0</b>
Increase Cost: Based on the City's higher assessable base valuation	28,810	0.0
<b>FY05 CE Recommended</b>	<b>453,810</b>	<b>0.0</b>

### ***Working Families Income Supplement***

This NDA provides funds to match the State's Refundable Earned Income Tax Credit (EITC). The intent of the Working Families Income Supplement is to provide financial assistance to low-income working families in Montgomery County. The County, through the NDA, reimburses the State for the cost of the refund and related administrative expenses.

#### ***FY05 Recommended Changes***

	Expenditures	WYs
<b>FY04 Approved</b>	<b>5,505,000</b>	<b>0.0</b>
Increase Cost: Based on Earned Income Tax Credit (EITC) refund estimates	2,579,000	0.0
<b>FY05 CE Recommended</b>	<b>8,084,000</b>	<b>0.0</b>

The FY05 increase is due to a projected increase in the number

of program beneficiaries and to match the increase in the State's percentage of the Federal Earned Income Tax Credit (FEITC) from 16 to 18 percent.

## BUDGET SUMMARY

	Actual FY03	Budget FY04	Estimated FY04	Recommended FY05	% Chg Bud/Rec
<b>COUNTY GENERAL FUND</b>					
<b>EXPENDITURES</b>					
Salaries and Wages	436,118	553,040	287,270	2,287,850	313.7%
Employee Benefits	69,932	149,940	122,380	120,240	-19.8%
<b>County General Fund Personnel Costs</b>	<b>506,050</b>	<b>702,980</b>	<b>409,650</b>	<b>2,408,090</b>	<b>242.6%</b>
Operating Expenses	51,147,252	53,067,420	54,119,460	73,439,700	38.4%
Capital Outlay	0	92,410	0	844,020	813.3%
<b>County General Fund Expenditures</b>	<b>51,653,302</b>	<b>53,862,810</b>	<b>54,529,110</b>	<b>76,691,810</b>	<b>42.4%</b>
<b>PERSONNEL</b>					
Full-Time	6	4	4	4	—
Part-Time	0	0	0	0	—
Workyears	3.2	1.6	1.6	1.4	-12.5%
<b>REVENUES</b>					
Takoma Park Munic. Tax Duplic. Loan Reimb.	0	50,000	50,000	50,000	—
<b>County General Fund Revenues</b>	<b>0</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	—
<b>GRANT FUND MCG</b>					
<b>EXPENDITURES</b>					
Salaries and Wages	0	70,440	0	366,620	420.5%
Employee Benefits	0	0	0	0	—
<b>Grant Fund MCG Personnel Costs</b>	<b>0</b>	<b>70,440</b>	<b>0</b>	<b>366,620</b>	<b>420.5%</b>
Operating Expenses	159,252	15,050,000	15,050,000	10,050,000	-33.2%
Capital Outlay	0	0	0	0	—
<b>Grant Fund MCG Expenditures</b>	<b>159,252</b>	<b>15,120,440</b>	<b>15,050,000</b>	<b>10,416,620</b>	<b>-31.1%</b>
<b>PERSONNEL</b>					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	0.0	0.0	0.0	0.0	—
<b>REVENUES</b>					
Community Grants	137,693	0	0	0	—
Historical Activities: Historic Preservation	0	50,000	50,000	50,000	—
Miscellaneous Future Grants	0	15,000,000	15,000,000	10,000,000	-33.3%
<b>Grant Fund MCG Revenues</b>	<b>137,693</b>	<b>15,050,000</b>	<b>15,050,000</b>	<b>10,050,000</b>	<b>-33.2%</b>
<b>RESTRICTED DONATIONS</b>					
<b>EXPENDITURES</b>					
Salaries and Wages	0	0	0	0	—
Employee Benefits	0	0	0	0	—
<b>Restricted Donations Personnel Costs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	—
Operating Expenses	367,050	0	0	0	—
Capital Outlay	0	0	0	0	—
<b>Restricted Donations Expenditures</b>	<b>367,050</b>	<b>0</b>	<b>0</b>	<b>0</b>	—
<b>PERSONNEL</b>					
Full-Time	0	0	0	0	—
Part-Time	0	0	0	0	—
Workyears	0.0	0.0	0.0	0.0	—
<b>DEPARTMENT TOTALS</b>					
<b>Total Expenditures</b>	<b>52,179,604</b>	<b>68,983,250</b>	<b>69,579,110</b>	<b>87,108,430</b>	<b>26.3%</b>
<b>Total Full-Time Positions</b>	<b>6</b>	<b>4</b>	<b>4</b>	<b>4</b>	—
<b>Total Part-Time Positions</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	—
<b>Total Workyears</b>	<b>3.2</b>	<b>1.6</b>	<b>1.6</b>	<b>1.4</b>	<b>-12.5%</b>
<b>Total Revenues</b>	<b>137,693</b>	<b>15,100,000</b>	<b>15,100,000</b>	<b>10,100,000</b>	<b>-33.1%</b>

## FUTURE FISCAL IMPACTS

Title	CE REC. FY05	FY06	FY07	(5000's) FY08	FY09	FY10
This table is intended to present significant future fiscal impacts of the department's programs.						
<b>COUNTY GENERAL FUND</b>						
<b>Expenditures</b>						
<b>FY05 Recommended</b>	<b>76,692</b>	<b>76,692</b>	<b>76,692</b>	<b>76,692</b>	<b>76,692</b>	<b>76,692</b>
No inflation or compensation change is included in outyear projections.						
<b>Adjust for Biennial Workload - Charter Review Commission</b>	<b>0</b>	<b>1</b>	<b>-1</b>	<b>1</b>	<b>-1</b>	<b>1</b>
<b>Compensation Adjustment - Group Insurance Rate Changes</b>	<b>0</b>	<b>6,480</b>	<b>12,634</b>	<b>17,558</b>	<b>24,292</b>	<b>30,969</b>
Future Group Insurance rates are based on various factors including the Health Insurance Fund balance and claims cost experience.						
<b>Conference Center: Expenditures</b>	<b>0</b>	<b>-1,273</b>	<b>-1,273</b>	<b>-1,273</b>	<b>-1,273</b>	<b>-1,273</b>
Operating budget impact for pre-opening costs. This amount does not include debt service or projected revenues associated with facility operations.						
<b>Group Insurance Retirees</b>	<b>0</b>	<b>3,254</b>	<b>4,135</b>	<b>4,718</b>	<b>5,690</b>	<b>6,656</b>
Ongoing Group Insurance contributions for retirees.						
<b>Inauguration and Transition</b>	<b>0</b>	<b>0</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>0</b>
This NDA is funded every four year election cycle.						
<b>Labor Contracts - Other (Compensation Adj)</b>	<b>0</b>	<b>1,805</b>	<b>1,878</b>	<b>1,878</b>	<b>1,878</b>	<b>1,878</b>
These figures represent other items associated with negotiated agreements.						
<b>Labor Contracts (Compensation)</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
These figures represent the annualization of FY05 increments, general wage adjustments, and associated benefits. Estimated compensation (e.g., general wage adjustment and service increments) for personnel are included for FY06 and beyond.						
<b>Labor Contracts (State Supplemental)</b>	<b>0</b>	<b>19</b>	<b>39</b>	<b>43</b>	<b>43</b>	<b>43</b>
These figures represent the annualization of FY05 increments, general wage adjustments, and associated benefits. Estimated compensation (e.g., general wage adjustment and service increments) for personnel are included for FY06 and beyond.						
<b>Motor Pool Contribution</b>	<b>0</b>	<b>-844</b>	<b>-844</b>	<b>-844</b>	<b>-844</b>	<b>-844</b>
Funds the purchase of new additional vehicles based on departmental service provision needs.						
<b>Motor Pool Fund Replacement Collections</b>	<b>0</b>	<b>1,000</b>	<b>2,000</b>	<b>3,000</b>	<b>4,000</b>	<b>5,000</b>
Charges to departments for the collection of revenues to replace the County's fleet.						
<b>NDA - Community Grants: Elimination of One-Time Items</b>	<b>0</b>	<b>-364</b>	<b>-364</b>	<b>-364</b>	<b>-364</b>	<b>-364</b>
Community Grants are considered one-time expenditures and eliminated from future base budgets.						
<b>NDA - Support for the Arts: Elimination of One-Time Items</b>	<b>0</b>	<b>-859</b>	<b>-859</b>	<b>-859</b>	<b>-859</b>	<b>-859</b>
Certain grants to arts organizations are considered one-time expenditures and eliminated from future base budgets.						
<b>Silver Spring Civic Building (NDA-Leases)</b>	<b>0</b>	<b>-103</b>	<b>-205</b>	<b>-205</b>	<b>-205</b>	<b>-205</b>
Operating budget impact for leases.						
<b>State Retirement Contribution</b>	<b>0</b>	<b>38</b>	<b>79</b>	<b>121</b>	<b>165</b>	<b>212</b>
Funds payments to the Maryland State Retirement System (MSRS) and the State Library Retirement.						
<b>Working Families Income Supplement</b>	<b>0</b>	<b>1,578</b>	<b>1,943</b>	<b>2,287</b>	<b>2,633</b>	<b>2,982</b>
Reimburses the State for the refund and related administrative costs for the Earned Income Tax Credit (EITC) program.						
<b>Subtotal Expenditures</b>	<b>76,692</b>	<b>87,425</b>	<b>95,864</b>	<b>102,754</b>	<b>111,848</b>	<b>120,889</b>